

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE

Bulletin 89-9

To: Underwriting Manager, Private Passenger Automobile

This bulletin addresses two (2) topics related to automobile insurance.

First, in 1989, Minnesota enacted legislation which significantly affects auto insurance risk selection guidelines. M.S. 72A.20 was amended by the addition of Subd. 22, DISCRIMINATION IN AUTOMOBILE INSURANCE (effective May 26, 1989), which prohibits any insurer using the following criteria to determine an applicant's acceptability as a risk for auto coverage:

1. employment status,
2. status as a tenant (including renters), and
3. failure to have auto insurance in force at any time prior to application, unless the applicant was required by law to have insurance.

Second, auto coverage discounts tied to homeowners coverage, with a given insurer, are of growing interest to the Department of Commerce.

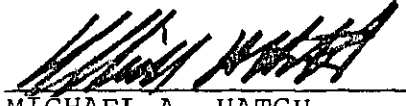
Accordingly, this Bulletin requires you to provide to the Minnesota Department of Commerce:

1. A copy of your automobile underwriting guidelines with certification that they comply with M.S. 65B.13, Subd. 1a and M.S. 72A.20, Subd. 22, as amended.
2. If you offer combined auto/homeowners policies or a discount for purchasing auto and homeowners together,
 - a) A copy of any multi-policy (auto and homeowners in a single policy or discount when purchased together) underwriting guidelines and discount table(s) used by your company.
 - b) A description of the actuarial basis for your multi-policy rates and/or discounts.
 - c) A copy of your automobile application.
 - d) A description of your multi-policy automobile and homeowners claims experience for the last five years.
 - e) A comparison of automobile and homeowners claims experience for auto-only or homeowners-only insureds versus the multi-policy claims data in d); above.

The information requested in this Bulletin is to be submitted by September 30, 1989. No filing fee is required.

Responses and questions regarding this bulletin should be directed to Mel Boynton, Department of Commerce, 500 Metro Square, St. Paul, MN 55101, (612) 296-3588.

Issued this 21st day
of July, 1989


MICHAEL A. HATCH
Commissioner of Commerce